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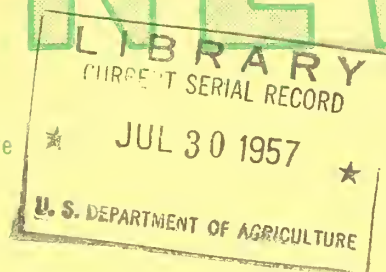
"We must open wider the doors of opportunity....
for the good of our country and all our people"
President Eisenhower

NEWS

RURAL DEVELOPMENT PROGRAM

Committee for RURAL DEVELOPMENT PROGRAM

Under Secretary, Department of the Interior
Under Secretary, Department of Agriculture (Chairman)
Under Secretary, Department of Commerce
Under Secretary, Department of Labor
Under Secretary, Department of Health, Education, and Welfare
Administrator, Small Business Administration
Member, Council of Economic Advisers



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State and local leaders held the second and third regional conferences on their Rural Development Programs during June. There was widespread interest in the proceedings and a determination to move forward even faster with the program.

THE RURAL DEVELOPMENT CONFERENCE for LOUISIANA and TEXAS, Shreveport, June 17-19 worked in five groups during the first two days and closed with a general meeting the third day.

D. W. Williams, Vice Chancellor for Agriculture, Texas A. and M. College System, presiding at the general session, pointed out that in the change from a strictly agricultural to a mixed agricultural-industrial economy in rural areas of low income there will be considerable dislocation unless effective programs are organized to ease the change. Without some kind of assistance and guidance, he said, low-income farm people will be increasingly vulnerable to the pressures of changing economic conditions.

Dr. A. B. Wooten, Extension economist, Texas A. and M. reported that a study made in northeast Texas has shown that about 36 percent of farm operators have an average of total resources -- land, livestock, equipment -- of \$2,000.

J. S. Horan, Director of Research for the Louisiana Department of Commerce and Industry, advised the working groups: "It would seem that more effective industrial efforts in rural areas would be attained if promotion were done on a trade area or regional basis whereby one or more counties cooperatively promoted the area instead of individual hamlets. In this way you might develop scattered industrial complexes throughout our rural areas which could draw upon a sizable surrounding rural area for labor and services." He urged an organized effort by rural people to attract industry.

Harry K. McLemore, Shreveport Chamber of Commerce, and Leeland S. Paine, Texas industrial economist, joined in emphasizing the importance of organization and planning by areas trying to attract industry.

This is one of a series of periodic reports on Rural Development Program activities of business, farm, civic, government and other community leadership working together. If you have information that might be of interest to those participating in the program or you wish to receive this Newsletter, address communications to the Editor, Rural Development Program News, Office of Information, Department of Agriculture, Washington 25, D. C.

Donald A. Hipkins, Deputy Administrator, Small Business Administration, spoke at both Shreveport and Fort Smith of "the need for industrial development to provide jobs for marginal farmers in many sections of the country Our responsibility in the Small Business Administration is to assist small businesses.....

"The help we provide is always given to the individual businessman, but it of course also assists the community. When we make a loan to assist a small firm in expanding, that creates jobs, and the whole community benefits.

"A realistic and effective approach..... surveying the firms that already exist in a community, and then doing what we can to help those small firms expand, develop new markets, and create new jobs.....

"We in the Small Business Administration can help. But active cooperation is essential.....

"Frequently a Chamber of Commerce, or a group of businessmen in a rural area will get together and decide that something must be done in their town to attract a new industry.

"They raise some capital, erect a modern factory building, and then lease the plant to a firm that has agreed to start up a new enterprise in the town. Sometimes we help by putting up part of the money to build the new factory, or in other cases we may help the small firm operating the factory with its working capital problem. Or perhaps the town can do the entire job itself with local capital and does not need to call on the resources of the government.....

"We have other programs of assistance to small firms. As you are perhaps well aware, the Federal Government is the largest purchaser of goods and services in the world. One of our jobs is to help small firms share in this market."

THE RURAL DEVELOPMENT CONFERENCE by three states, Arkansas, New Mexico, and Oklahoma, Fort Smith, Arkansas, June 20 and 21, brought together more than 250 leaders. All pilot counties in the three states had representatives at the meeting, along with State and regional workers.

Dr. John T. Caldwell, President of the University of Arkansas, in opening the conference, said, "The Rural Development Program is the process of bringing to focus the resources of all agencies and groups into a unified effort to increase the opportunities of low income families to increase their income. Rural Development also spotlights and defines the problem in such a way as to give all groups and agencies a specific part to play."

He said, "Many farms are too small to be economically sound..... This means that the answer to the problem cannot be found entirely on the farm....."

Randle T. Klemme, Director, Oklahoma State Department of Commerce and Industry, said "no program of rural development can be done exclusively in the field of agriculture." Industrial development in an area helps farm people

- (1) by providing employment in business and trades serving industry;
- (2) markets that pay higher prices for farm production;

- (3) educational and other community facilities are improved; and
- (4) a new spirit of cooperation between rural and urban people is fostered.

Urging more vocational training in trades and industry, Mr. Klemme pointed out that most farmers are not "skilled workers" when they enter industry -- they need training.

Some of the major recommendations made by the nine working groups were:

- (1) Increase the guidance given to pilot county leaders by State and national rural development groups.
- (2) Undertake new research on problems of low-income farming areas to gain better knowledge of economic development methods. ✓
- (3) Include non-farming families living in rural areas in the program.
- (4) Evaluate the work of government agencies to make sure they are meeting the specific needs of rural areas.
- (5) Emphasize the improvement and expansion of local business and industry in developing new sources of income.
- (6) Help farm families know how best to use credit, through adult education classes and on-the-farm visits.

Summary reports on both the Shreveport and Fort Smith conferences are being reproduced and will be available to local and State leaders in all States engaging in the Rural Development Program.

SECRETARY OF AGRICULTURE EZRA TAFT BENSON, speaking at the Tennessee Farmers' Convention, said the Rural Development Program "is now two years old and I want to tell you about it.

"A major concern is for the young people who are in the best position to take advantage of new opportunities.....

"For those rural people who have the desire and the ability to develop an efficient farm unit, there are supervised credit, adapted research, adult education, and technical assistance, aimed at their special needs.

"For those who choose non-farm employment there are vocational training in the trades and industry, job information, and programs of industrial development.

"For all people in the area there are programs to improve education and health, programs of community development and better living.

"The program is decentralized. For every dollar and every decision supplied at the federal level, many dollars and many decisions are made at the State and local levels. On the committees which guide the program in the counties, there are many more private citizens than government workers.

"Income from non-farm sources is today the largest single source of earnings for farm people. Last year it totaled more than \$6 billion, equal to one-

third of our total net income of the farm population from all sources. The next largest source of income was from the sale of cattle, which brought in a little over \$5 billion.

"We have worked hard to develop the income opportunities presented by producing and selling cotton, tobacco, wheat and cattle. But here is an income earner, larger than any of these, which we have taken for granted, or to a degree, even resisted.

"A dollar will buy just as much health, just as much education, just as much good living if it is earned in off-farm employment as if it is earned growing crops or livestock.

"I share the concern expressed by so many, that too great a shift to industrial centers and urban life could cause us to lose some of the stability, strength and character that we had as a nation of farmers. But this need not occur.

"If you can develop local opportunities for your young people, you can keep your investment -- and your young men and women -- near home. That's where they would like to be. But they will not stay near home unless there are good opportunities."

"The problem is more basic than low incomes expressed in dollars it embodies human values -- the lives and welfare of people and of families."

NOTE: We have limited copies of The Summary Report, Kentucky-Tennessee-West Virginia Rural Development Conference, May 13-15. If you want a copy, write the Editor, Rural Development Program News, Office of Information, Washington 25, D. C.

Also available are notes used by True D. Morse, Under Secretary of Agriculture in addressing the two regional conferences as follows:

A Tale of Three Cities -- reporting progress and lack of progress of towns in the same general type of farming area. Tupelo, Mississippi, with "an aggressive rural development program..... a winning prosperity team" forged far ahead. "It has paid." The Dallas News in an editorial based on this address said, "Many (rural areas) have grown stagnant, and some have lost population. Yet a few enterprising ones have grown." It cited Texas areas "that have attracted new industries..... giving industrial and business jobs to those who formerly worked in the fields and thus are entering a new era of growth and stable prosperity."

Broad Attacks to Help Farm Families is the title of the other address - "We are now pushing forward on two broad fronts toward more income for all farm families.

"Price supports and other commodity programs will continue to aid especially the 2 million farmers who market 90 percent of the farm products.

"While for some 2.5 million underemployed farm families who market only 10 percent of the farm products, there is now the many sided attack through the Rural Development Program to increase their incomes."